

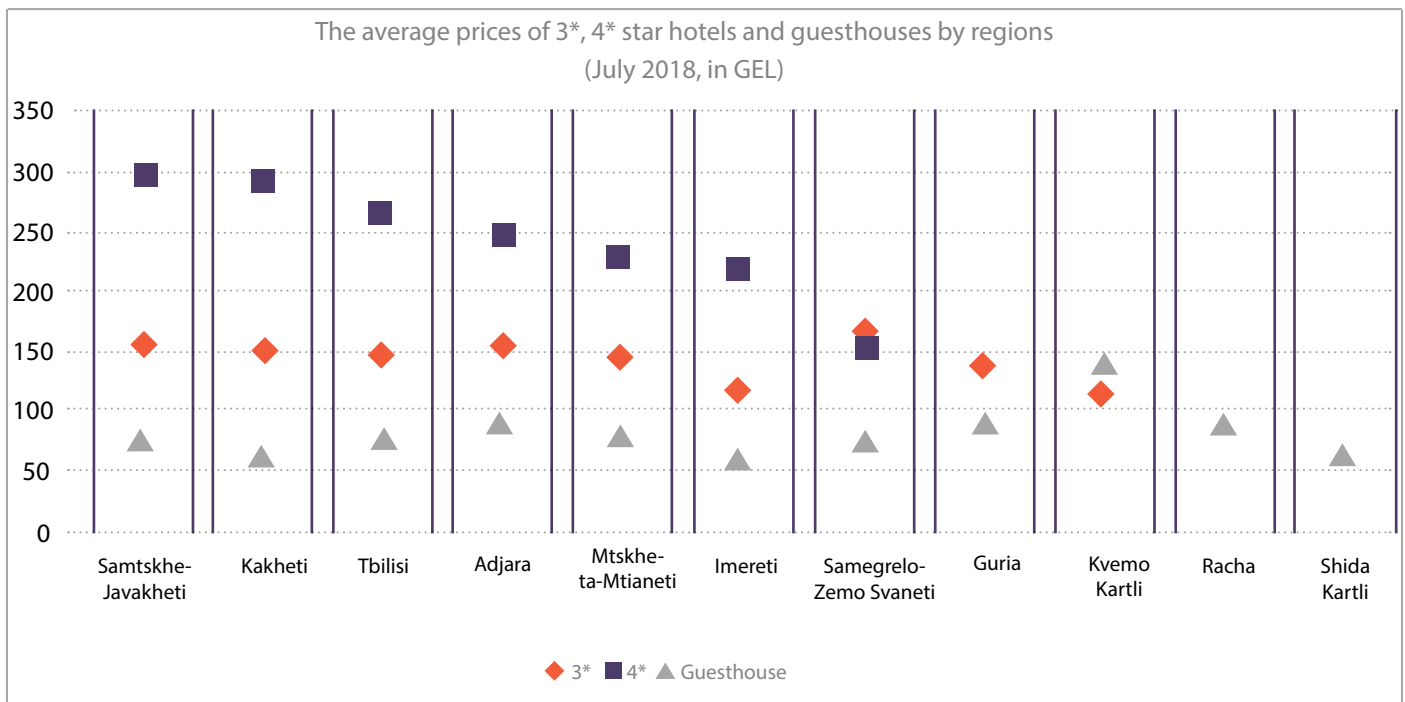
July 2018

- In July 2018, the hotel price index increased by 2.7% compared to June 2018;
- In July 2018, the daily rates for standard double hotel rooms increased the most in Adjara (10.1%) and Samtskhe-Javakheti (5.9%), while the hotel prices decreased only in Tbilisi (-1.2%);
- In July, the average cost of a room in each category was as follows: 3-star hotel room - 148 GEL per night; 4-star hotel room - 254 GEL; 5-star hotel room - 455 GEL; guesthouse room- 72 GEL;
- In Tbilisi, the 3-star, 4-star and 5-star hotel prices decreased by 2.1% in July 2018, compared to June 2018;
- On Tripadvisor, 1618 accommodation units are registered in Tbilisi, significantly exceeding the number of accommodation units registered in Baku - 456, Yerevan - 436 and Ankara - 364.

Average Hotel Prices

In Georgia, the average cost of a room¹ in a 3-star hotel was **148 GEL** per night in July 2018. The most expensive 3-star hotels in July in Georgia were in Samegrelo-Zemo Svaneti - 180 GEL and Adjara - 156 GEL. In these regions, the average cost of a room in a 3-star hotel reached its highest point in the last ten months (October – July). The cheapest 3-star hotels in July in Georgia were found in Kvemo Kartli- 89 GEL and Imereti – 110 GEL.

The average cost of a room in a 4-star hotel in Georgia in July 2018 was **254 GEL** per night. The most expensive 4-star hotels for this month were found in Samtskhe-Javakheti – 297 GEL and Kakheti – 289 GEL. In these regions, the average cost of a room in a 4-star hotel reached its highest point in the last ten months (October – July). The cheapest 4-star hotels in July in Georgia were found in Samegrelo-Zemo Svaneti – 155 GEL and Imereti – 219 GEL.



Graph 1: In the graph, average prices for standard double rooms in 3 and 4-star hotels and guesthouses are given by region. 5-star hotel prices are provided above.

The average cost of a room in a 5-star hotel in Georgia in July 2018 was **455 GEL** per night. In Tbilisi, the average price was 518 GEL, followed by Samtskhe-Javakheti - 443 GEL, Adjara – 432 GEL and Kakheti - 408 GEL. In July, the average cost of a room in a 5-star hotel in Adjara and Samtskhe-Javakheti reached its highest point in the last ten months. In Tbilisi, during the last ten months, the highest price of a 5-star hotel room was recorded in October, while in Kakheti this was recorded in June.

In July 2018, the average cost of a room in a guesthouse² in Georgia was **72 GEL** per night. The highest daily rates for guesthouses were found in Kvemo Kartli -148 GEL and Adjara – 92 GEL. During the last ten months, the average cost of a room in a guesthouse in Adjara peaked in July 2018, whereas in Kvemo Kartli the highest price in this period was recorded in November 2017. The cheapest guesthouses in July in Georgia were found in Imereti – 58 GEL and Kakheti – 62 GEL.

In terms of apartments, on Airbnb in Georgia the average cost of an apartment in July was US\$45. On Airbnb in Georgia, among self-governing cities the highest average cost of an apartment in July was recorded in Batumi-US\$50, followed by Tbilisi-\$43, Poti-\$35, Kutaisi-\$30 and Rustavi-\$20.

Hotel Price Index

In July 2018, the hotel price index³ increased by 2.7% compared to June 2018. The daily rates for standard double hotel rooms increased the most in Adjara – 10.1% and Samtskhe-Javakheti – 5.9%. Such price increase in Adjara was largely due to hotel price increases in Kobuleti (13%) and Batumi (10%). The price increase in Samtskhe-Javakheti basically was mainly attributable to hotel price increases in Borjomi (18.3%). Meanwhile, in Bakuriani hotel prices decreased by 2.5%. In July 2018, among the ten regions of Georgia and Tbilisi, the hotel prices decreased only in Tbilisi, by 1.2%.

Region	Hotel	3*, 4*, 5*	Guesthouse
Adjara	10.1%	13.8%	4.7%
Samtskhe-Javakheti	5.9%	8.9%	3.4%
Racha	4.6%		4.6%
Samegrelo-Zemo Svaneti	3.4%	6.6%	2.4%
Imereti	2.7%	4.4%	1.6%
Shida Kartli	2.6%		2.6%
Mtskheta-Mtianeti	2.6%	1.2%	3.8%
Guria	1.6%	5.1%	-0.7%
Kakheti	0.9%	-0.6%	1.3%
Kvemo Kartli	0.0%	0.0%	0.0%
Tbilisi	-1.2%	-2.1%	2.8%
Overall price % Change	2.7%	2.9%	3.2%

Table 1: Percentage change of prices in July 2018 over June 2018.

The 3-star, 4-star and 5-star hotel price index increased by 2.9% in July 2018 compared to June 2018. In these types of hotels, the highest price increases were recorded in Adjara – 13.8% and Samtskhe-Javakheti -8.9%. The 3-star, 4-star and 5-star hotel price decreased the most in Tbilisi and Kakheti, by 2.1% and 0.6% respectively.

For guesthouses, the price index increased by 3.2% in July 2018 compared to June 2018. In this type of accommodation, the biggest percentage price increases for standard double rooms were recorded in Adjara (4.7%) and Racha (4.6%). In this type of accommodation, the prices decreased only in Guria, by 0.7%.

Tripadvisor –Hotels and Restaurants

On Tripadvisor⁴, when comparing the capital cities of Georgia and the capitals of neighboring countries, the highest number of accommodation units are registered in Moscow – 2843 accommodation units. In Tbilisi, on Tripadvisor 1618 accommodation units are registered, which is the second highest of the five compared cities. The number of accommodation units registered on Tripadvisor in the capitals of Azerbaijan, Armenia and Turkey are as follows: Baku – 456, Yerevan – 436 and Ankara – 364.

Similar to accommodation units, the highest number of restaurants on Tripadvisor among the capitals of Georgia and its neighboring countries are registered in Moscow – 12469, followed by Ankara – 3330, Tbilisi – 906, Yerevan – 678 and Baku – 669. Among the compared cities, Tbilisi is the only city where the number of accommodation units registered on Tripadvisor exceeds the number of registered restaurants.

Basic Economic Indicators											
	II 2016	III 2016	IV 2016	2016	I 2017*	II 2017*	III 2017*	IV 2017 *	2017 *	I 2018*	
1	489.3	559.1	493.4	1978.3	458.7	549	647.7	579.9	2235.4	534.8	
2	1505	2245.1	1473.8	6360.5	1267	1730	2827	1732.1	7556.3	1463.6	
3	606.3	1146.6	559.6	2721	514.4	796.2	1473.6	695.3	3479.5	659.3	
4	515.4	817.2	481.2	2166.3	434.6	658.8	1081.1	576.8	2751.3	550.8	
5	103	107.8	92.4	386.3	81.4	109.5	152	120.7	463.6	105.9	
6	0.8	12.5	35.3	56.9	16.1	31.7	30.6	11.6	90	21.9	
* 1	Total Tourism Value Added (mIn Gel)			* 2	Number of International Travelers (thousand persons)			* 3	Number of Tourists (thousand persons)		
* 4	Revenue from International Tourism (mIn USD)			* 5	The Expenditures of Georgian tourists Abroad (mIn USD)			* 6	Foreign Direct Investment in Hotels and Restaurants Sector (mIn USD)		

1 The results are based on the surveying of standard double hotel room prices of 3, 4, 5-star hotels and guesthouses in 10 regions of Georgia. Hotels were chosen arbitrarily according to random sampling principle. The study contains 71% (312) of all 3, 4 and 5-star hotels and 25% (456 guesthouses) of all guesthouses registered on www.booking.com. The 3, 4 and 5-star hotel price data was collected by contacting hotels individually, while

the prices of guesthouses were taken from booking.com. The average prices are arithmetic mean of standard double hotel room prices.
2 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family.
3 The calculation of the hotel price index is based on the recommendations given by the International Monetary Fund

(IMF). The elementary aggregate price index is calculated by Jevons index (Consumer Price Index Manual-Theory and Practice (2004), Practical Guide to Producing Consumer Price Indices (2009)).
4 <https://www.tripadvisor.com/>
* Preliminary results